GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure & Investment Department - APSFL - Government Guarantee of Rs.552.7 crores to obtain loan from Banks/financial institutions to meet the expenditures for completion of AP State CCTV Surveillance project and Construction of District Real Time Governance (RTG) Projects - Orders - issued.

INFRASTRUCTURE AND INVESTMENNT (AIRPORTS) DEPARTMENT

G.O.Ms.No.21. Dated 20-12-2023.

Read the following:-

1. G.O.Ms.No.8, E, I&I Dept., dated 03-04-2017.
2. G.O.Ms.No.87, E, I&I Dept., dated 21-06-2017.
3. G.O.Rt.No.152, E, I&I (Airports) Dept., dated 15-11-2018.
4. G.O.Rt.No.55, E, I&I (Airports) Dept., dated 05-05-2021.
5. G.O.Rt.No.47, I&I (Airports) Dept., dated 24-07-2023.
6. G.O.Rt.No.68, I&I (Airports) Dept., dated 29-09-2023.
7. From the MD, APSFL, Lr.No.APSFL/Surveillance Cloud/89/2023, dated 12-12-2023.

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ORDER:

In the G.O. 1st read above, Government has authorized APSFL to leverage its state-wide optical fibernet work infrastructure to implement State wide CCTV Surveillance Project in AP. The Home department is termed as user department of the project. Accordingly, based on the inputs and requirements of AP Police Department, the project has been structured for implementation in various identified locations across the erstwhile 13 Districts of Andhra Pradesh.

2. In the G.O. 2nd read above, Government has accorded administrative sanction of Rs.959 crores towards implementations of the AP State Surveillance project in AP and Rs.10 crores towards project monitoring and accordingly M/s. NCC-Matrix consortium is appointed as the project implementation agency (PIA) and M/s.Ernst & Young (E&Y) is appointed as the project monitoring agency (PMA).

3. In the G.O. 3rd read above, orders were issued authorizing APSFL to take up the construction of 13 Nos of District RTG (Real time Governance) Centers and 1 Nos State level RTG Centers. The District Command Control Equipment shall be deployed in the respective District RTG Centers and the live feeds from the surveillance project shall be made available in the RTG State and District Centers where Civil & Police administration will be utilizing the CCTV infrastructure for the purposes of security, traffic controlling, RTG operations and other governance purposes.

4. In the G.O.4th read above, Government have accorded in Administrative Sanction for an amount of Rs.176.65 crores for construction of 13 Nos of District Level RTG Centres and as State level RTG Anex Building including cost of third party testing agency. In the reference 6th read above, Govt. have accorded revised

administrative sanction, to factor-increased GST rate, for an amount of Rs.180.5 crores for construction of 13 Nos of District Level RTG Centres and a State level RTG Annexe Building, including cost of third party testing agency.

5. The MD, APSFL vide reference 7th read above has submitted that out of the total project cost of Rs.1145.1 crs for both CCTV and DRTG projects, an amount of Rs.579.7 crores have been paid and an additional amount Rs.41.02 crores is envisaged to be released by the Finance Department in FY 23-24. However, an amount of Rs.346.5 crores is currently outstanding and additional amount of Rs.77.86 crores is required for completion of the projects.

6. In the G.O. 5th read above, Govt. have issued orders to capitalise the infrastructure of State CCTV and DRTG projects into the books of account of APSFL to the tune of the total project cost and its respective incidental expenditure by following the due process. Such that the amount received from Government of AP for the project shall be regarded as equity contribution to the project from the Government, and the requisite number of equity shares shall be allocated to the Government of AP. Further, the remaining expenditure for completion of the projects including any other incidental expenditure and interest during construction, if applicable, may be met through project finance. Further, APSFL shall lease the infrastructure to the designated user entity and the lease rentals covered shall be used to cover the return on capital employed, depreciation and cost associated with operation and maintenance of the infrastructure. The indicative lease rentals calculated for the said purpose is given at Annexure-1. The lease rentals, thereon, are indicative in nature and the Government of Andhra Pradesh will pay the actuals incurred for the O&M and return on the capital deployed and depreciation. The detailed financials of the projects and the loan requirement as given by MD, APSFL, is tabulated below:

Project	Total Project Value	Value of work done	Amount paid till date	Current outstanding	Loan required for completion
CCTV	959.0	835.9	500.2	335.7	417.8*
CCTV PMA (Project Monitoring agency)	5.5	5.2	5.2	0.0	0.3
DRTG	178.2	84.0	73.5	10.5	104.7
TPA - DRTG (Third Party testing agency)	2.4	1.2	0.8	0.4	1.6
Interest During Construction (IDC)					27.2
Incidental Charges					1.2
Total	1145.1	926.2	579.7	346.5	552.7

*Excludes Rs. 41.02 crores envisaged to be released by Finance Department in FY 23-24

7. The Managing Director, APSFL has requested the Government to provide approvals for the following:

a. Approval to provide Government Guarantee of Rs 552.7 crores to obtain loan from Banks/financial institution to meet the expenditure for completion of AP State CCTV Surveillance project and Construction of District Real Time Governance Projects, which constitutes the current and future liability of amount to be paid to the project implementation and monitoring agencies

b. Approval to lease the asset of AP State CCTV Surveillance project and Construction of District Real Time Governance Projects to Home Department (Lessee) by APSFL as lessor wherein Government of AP, through the Budget Head of Account of the Home Department, shall pay the lease rentals to APSFL which is equivalent to the aggregate of return on capital employed, depreciation and other operation and maintenance expenditure that APSFL is required to meet.

8. Government after careful examination hereby accord approval for Government Guarantee of Rs 552.7 crores to APSFL to obtain loan from Banks/financial institutions to meet the expenditures towards addressing the current and immediate future liabilities of the AP State CCTV Surveillance project and Construction of District Real Time Governance (RTG) Projects and to be paid to the project implementation and monitoring agencies for completion of the Projects.

9. Further, Govt. hereby approve to lease the assets of AP State CCTV Surveillance project and Construction of District Real Time Governance Projects to Home Department (Lessee) by APSFL (as lessor) on mutually agreed lease rentals (as given in the annexure), wherein Government of AP, through the Budget Head of Account of the Home Department, shall pay the lease rentals to APSFL to meet the return on the capital employed and depreciation and for Operation and Maintenance of the Assets and their operations.

10. Post approval, APSFL shall prepare one month a department-wise revenue model with all the revenue streams, including for each category of violation & the targets disaggregated month-wise to all the departments for ensuring accountability. Further, the APSFL, Police, transport and MA & UD Departments have to take following concrete measures mentioned below and additional measures required to be taken thereon to ensure that the existing CCTV cameras are put to use to the optimal extent.

i. Activating all the existing traffic signals having the CCTV cameras, so that red light/other signal related violations/other traffic violations can be detected & the concomitant challans generated.

ii. Installation of new traffic lights at all locations where CCTV cameras are present.

iii. Taking measures that ensure that the CCTV camera feeds are used by both Police & Transport Departments for all enforcement functions.

iv. Taking measures that facilitate usage of CCTV cameras for detection of all kinds of violations, over & above those covered in the existing contract, in consultation with police and transportation department by the APSFL.

v. Procurement of software/service required for para (iv) above without incurring any upfront expenditure, duly structuring the software contract accordingly.

vi. Benchmarks shall be stipulated for utilisation of CCTV cameras based on current violation detection data in the state & from cities like Hyderabad and Bangalore where camera feeds are used actively for enforcement.

vii. Police & Transport departments to be held accountable for achieving the performance benchmarks on violations detection.

viii. APSFL to coordinate with MAUD/Other departments for permissions, etc. to ensure realisation of advertisement revenues from the poles as per the contract.

ix. The O&M costs viz. personnel/camera/cable maintenance/etc. to be minimised & the contracting made most cost -effective.

11. The I&I Department will constitute and institutionalise a high-level Governance Mechanism for Project Implementation & Performance Monitoring at appropriate level duly involving all the stakeholders viz., Police and Transport (realisation of fines, maintenance of traffic lights etc) & MA & UD (for maintenance of traffic lights advertisement permissions, etc) and other user departments (where the infrastructure created under the projects can be effectively put into use) to regular monitor and continuously review the projects for completion and their effective use.

12. The Managing Director, Andhra Pradesh State Fiber Net Limited shall take necessary action accordingly, duly keeping in mind that the servicing of the loan (both principal & interest) shall be made by the APSFL from their internal sources & without any recourse to the state budget, either now or in the future and any further support from the Finance Department shall be contingent on realisation of the commitments at para-10.

13. This order issues with the concurrence of the Finance Dept., and remarks thereon vide U.O.No.FIN01-FMU0MISC/41/2023-FMU-IIEIC (Computer No.1972764), Dated 14.12.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N.YUVARAJ
SPECIAL CHIEF SECRETARY TO GOVERNMENT(FAC)

To
The Managing Director, Andhra Pradesh State Fiber Net Limited.

The Special Chief Secretary, MA & UD Department.
The Principal Secretary to Government, Home Department.
The Secretary, Tr & B Department.
The Director General of Police, Vijayawada.
The Accountant General, Andhra Pradesh, Vijayawada.
The Director of Treasuries & Accounts, AP.
Copy to
The Finance (FMU-I&I, Energy and I&C) Dept.,
The GA (Cabinet) Dept., AP Secretariat.
The P.S. to Special Chief Secretary to Hon'ble CM.
The P.S to Hon'ble Minister for I&I
The P.S. to C.S to Govt.,
The P.S. to Spl. C.S to Govt., I&I Department.
(C.No.INI01-APFN/2/2023-Airports, Comp.No.1962432)

//Forwarded :: By Order//

C. Kalyanam
SECTION OFFICER